



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 11/6/2002

GAIN Report #PK2017

Pakistan

Cotton and Products

Cotton Production Update

2002

Approved by: **Mike Henney, ATO**

U.S. Consulate, Dubai, U.A.E.

Prepared by: **Asif Farrukh, Ag Specialist**

U.S. Embassy, Islamabad, Pakistan

Report Highlights:

Pakistan's MY 2002/03 cotton production is forecast at 1.7 Million Metric Tons (MMT), 15 percent lower than earlier estimations based on lesser area harvested and larger-than-expected loss from pest infestation. Production inputs, primarily irrigation, remained adequate during the crop development and fruiting stages but proved lacking during pre-harvest production as pest infestation has become a serious problem since the middle of September, 2002.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Islamabad [PK1], PK

Table: Cotton Production, Supply and Demand

PSD Table						
Country	Pakistan					
Commodity	Cotton				(HECTARES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		08/2000		08/2001		08/2002
Area Planted	0	0	0	0	0	0
Area Harvested	2928000	2928000	3130000	3116000	3130000	2642000
Beginning Stocks	586991	586991	576104	576104	710006	710006
Production	1785358	1785358	1807130	1807130	1785358	1698267
Imports	97977	97977	217727	217727	108863	136079
TOTAL SUPPLY	2470326	2470326	2600961	2600961	2604227	2544352
Exports	125193	125193	34836	34836	21773	21773
USE Dom. Consumption	1763585	1763585	1850676	1850676	1915994	1915994
Loss Dom. Consumption	5443	5443	5443	5443	5443	5443
TOTAL Dom. Consumption	1769028	1769028	1856119	1856119	1921437	1921437
Ending Stocks	576104	576104	710006	710006	661018	601142
TOTAL DISTRIBUTION	2470325	2470325	2600961	2600961	2604228	2544352

Production

In MY 2002/03 Pakistan is forecast to harvest 1.7 million metric tons (7.8 million 480-lb bales) of cotton. Planted area has decreased an estimated 15 percent. In Punjab province farmers switched area to sugarcane and rice from cotton because of lower returns on cotton compared to rice and sugarcane last year. Yields are expected to be marginally better in the Punjab (which accounts for 76 percent of production) but to decline at least 5 percent in Sindh primarily due to disease and pest emergence at the end of September/early October. Planting season and irrigation problems remain the same as experienced last year.

Factors contributing to poor crop prospects include: decreased acreage, farmers reduced vigilance to crop late in the season due to lower pest infestation in the first half of the crop cycle, farmers involvement in election campaigns till October 10 (during a critical period in the harvest cycle), rain in last half of September which led to heavier pest infestation in many areas of Punjab and Sindh. Further, bollworms reemerged in the last week of September in the Punjab. It was critical to control this second outbreak to ensure more optimal yields. Farmers have started the second pick about two weeks before normal due to the large planting of early maturing varieties. Reports are that the third pick will produce marginal output because plants in general have fewer bolls as compared to last year.

Consumption

No change is proposed in cotton consumption estimates.

Trade

Cotton import forecasts are higher than initial estimates due to the greater than expected shortfall in domestic production and stronger demand in the domestic market.

Stocks

The Trading Corporation of Pakistan (TCP) continues to hold some supplies but will release large amounts to meet domestic requirements. With the open market price of seed cotton exceeding the government set minimum support price, TCP is not expected to expand its stock holdings in MY 2002/03. Further, based on smaller-than-expected production and a lesser reliance on imports to offset production shortfalls, MY 2002/03 ending stocks are expected to decline substantially.